

**EUROCHAMBRES MESSAGES
TO THE 29-30 JUNE 2023
EUROPEAN COUNCIL**

Eurochambres messages to the 29-30 June 2023 European Council

Eurochambres urges EU heads of state and government to focus on the trade agenda, supply chain resilience, business competitiveness and reducing regulatory burdens.

Ahead of the European Council meeting on 29-30 June, Eurochambres urges the European Union to strengthen its trade and economic cooperation and finalise under the upcoming Spanish presidency of the Council of the EU, the EU-Mercosur agreement. The EU needs to increase supply chain resilience, especially for critical goods and raw material. As we mark the 30th anniversary of the single market, the chamber network looks forward to working with the European Commission to find ways to help our businesses with the economic recovery and the energy crisis. This requires fundamentally policies and support mechanisms to boost longer-term competitiveness and to reduce regulatory burdens on businesses.

Eurochambres messages to the European Council on 29-30 June 2023:

Ukraine

Eurochambres and the chamber network are in constant contact with the Ukrainian Chamber of Commerce and Industry, which is striving to support member companies in the most difficult circumstances. Eurochambres welcomes the [dedicated European Commission Facility to support Ukraine's recovery, reconstruction and modernisation](#) and is looking forward to working in cooperation with the European Commission in the reconstruction of the Ukraine. The chamber network is ready to provide appropriate training, innovation and investment facilitation projects.

EU Mercosur Agreement

The EU-Mercosur association agreement is key to preserving EU's competitiveness, and to the operation of crucial supply chains. The war in Ukraine and the subsequent strain it has caused on EU supply chains has demonstrated the importance of diversifying markets, as well as suppliers of critical industrial inputs. In this context, the ratification of the EU-Mercosur agreement would provide meaningful tools to engage with Argentina, Brazil, Paraguay and Uruguay on global challenges, such as climate change, fighting deforestation and labour rights. It will offer the EU a unique platform to raise environmental and social standards and foster tangible improvements in the Mercosur region.

Net Zero Industry Act (NZIA)

Eurochambres agrees on the need to set ambitious objectives to identify and overcome key challenges and specific obstacles that hold back investments in clean tech. However, this aim should not be a regulatory requirement, but a political commitment. The NZIA should provide a simplified regulatory framework for clean tech, while addressing bottlenecks arising from permitting procedures e.g., environmental regulation to speed-up the green transition. It is also important to accelerate permitting procedures for all economic sectors and too few selected.

Critical Raw Materials Act

The European Commission's proposal for a Critical Raw Materials Act is a welcome and necessary step towards enhancing the security of supply of critical raw materials in times of exponentially increasing demand as the European and global economy are making a transition to a low carbon economy. While an acceleration and de-bureaucratization of strategic projects for the sourcing of raw materials both in the EU and third countries is very welcome, the proposal has shortcomings in terms of scope, and the likelihood of additional obligations and reporting and monitoring burdens imposed on companies.

Independent High-Level Report on the future of the Single Market

Eurochambres' [survey](#) "The state of the Single Market: barriers and solutions" showed that complex administrative procedures and the variety of different national rules on goods and services place a considerable burden on businesses. These barriers represent a handicap to businesses and also affect market entry, limit economies of scale, and affect investment decisions. It is therefore crucial for member states to remove obstacles that are linked to a lack of coordination and harmonisation which, in turn, hamper the proper functioning of the single market. Different standards and gold-plating by member states undermine the single market, so we need effective measures to address existing barriers to cross-border commercial operations, investment and innovation.

Skills (Net Zero Academies)

The 2023 European Year of Skills is a timely opportunity to work on key EU level instruments to respond to labour market needs, such as mobility schemes, upgrading vocational education and training (VET) and forecasting tools. Well-targeted EU funding can also add considerable value. Eurochambres welcomes the European Commission's efforts to address the skills challenges posed by the net zero transition. However, chambers do not consider the establishment of sector-specific European Skills Academies for each net-zero technology fully appropriate, since the demand for labour in the designated net-zero technology sectors does not only relate to skills that can be directly derived from technology, but also to various other qualifications. The chamber network already offers VET programmes focusing on green skills.

Reporting Requirements

European businesses are struggling with their post-pandemic economic recovery, amidst soaring inflation, a severe energy crisis and rising labour market concerns. Meanwhile, EU legislation imposes increasing regulatory requirements, which are having a worrying cumulative effect on the competitiveness of businesses. Eurochambres welcomes the objective of reducing reporting obligations by 25% announced by the European Commission in March. However, we consider the need for relief as an immediate, crucial issue. To deliver on this commitment, the Commission should set short-term targets and not limit the objective to 25%. Furthermore, we ask the Commission to focus not only on existing reporting obligations, but also on pending and potential new legislative requirements. Co-legislators in the European Parliament and Council must also be conscious of this aspect and of the negative impact of cumulative regulatory burdens on the business community.

Electricity Market Design

Eurochambres expresses reservations about certain proposals emerging from the European Parliament ITRE Committee. While we support the reform's overall objective, we have concerns that some measures could hinder investment in clean energy and disrupt electricity pricing. Specifically, we are wary of introducing a cap on revenues for inframarginal generators and implementing mandatory Contracts for Differences (CFDs) for all new plants.

These measures may have unintended consequences, undermining market confidence and hindering the development of new technologies. We urge market interventions to be coordinated at the EU level and limited in duration. The principle of minimal market intervention is crucial to create a stable framework for the energy transition. If CFDs are implemented, government-collected revenues should be channelled back to energy consumers in a fair and clearly defined manner.

Recovery And Resilience Funding (RRF)

Most chambers involved in the implementation of RRF observe deficiencies in the absorption of funding at regional and local level. Excessive red tape and burdensome legislation continue to represent the main hurdles, together with a lack of information on available funding and technical assistance in implementing digital or green practices. Altogether, these factors contribute to a disappointing situation that carries the risk of jeopardising the RRF objectives and, most importantly, failing in supporting the European economy and the business environment. The chamber network is also concerned with the set of new own resources that the European Commission proposed to repay the debt incurred under the Next Generation EU scheme.

Work programme of the incoming Presidency

Eurochambres calls on the Spanish Presidency of the Council of the EU to lead the process with respect to completing negotiations on the open files related to Europe's strategic pillars for boosting competitiveness within the single market, such as the Net Zero Industry Act and Critical Raw Materials. The right balance must be achieved between short term and long-term relief measures, especially for SMEs. Efforts to reduce compliance and reporting costs must encompass both the existing stockpile of EU legislation and proposals in the pipeline. We also look forward to an increased focus and engagement with business via the chamber network on two crucial regions: Latin America and the Southern Neighbourhood, with the EU-CELAC Summit in Brussels and the ministerial meeting in Barcelona of the Southern Neighbourhood.

Eurochambres, the Association of European Chambers of Commerce and Industry represents over 20 million businesses in Europe through 45 members (43 national associations of chambers of commerce and industry and two transnational chamber organisations) and a European network of 1700 regional and local chambers. More than 93% of these businesses are small and medium sized enterprises (SMEs).

More info on: <https://bit.ly/ECHPositions>

Contact:

Policy Director

Mrs Lina Konstantinopoulou, Tel. +32 2 282 08 51, konstantinopoulou@eurochambres.eu

Press and Communication Manager

Mrs Karen Albuquerque, Tel. +32 2 282 08 72, albuquerque@eurochambres.eu



@Eurochambres
www.eurochambres.eu